

REPORT

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50X1-HUM

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THIS IS UNEVALUATED INFORMATION

Matzen and Aderklaa

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1. Because of the steadily increasing output of the Aderklee oil fields, a second Soviet director has been assigned to this oil field area which is now being administered as two separate enterprises, one for drilling, the other for production. A research group working under the direction of Engr. Seidny is at present engaged in making geological tests and exploratory drillings. Test drillings have been recently carried out in the Floridsdorf and Kagran vicinities and in the flood area (Uferschwemmungs Gebiet) of the Danube near the Lobau. Although test drillings in the latter area have brought favorable results, the Soviets are aware of the possibility that in the event of floods the drill rigs may be submerged. Soviet engineers are now starting to erect these drill rigs higher above the ground in order to preclude any future loss of equipment in this area. In the Matzen oil fields, observers have recently noted a number of new drill rigs along the highway near Gaweinsthal.

SEM Warehouses

2. The combined value of the turnover at the SMV Central Warehouse, Neusiedl a/d Zaya, and the SMV's Lobau Warehouse for the month of December 1950 amounted to 46,709,320 schillings. The turnover for the year 1950 totalled 415,381,564.79 schillings. The SMV Purchasing Office announced a net profit of 12,461,446.95 schillings for 1950 after deducting the total payroll disbursements and transportation costs for these three SMV enterprises.
3. The firm Bau und Montage, Vienna IV, Brucknerstrasse, the SMV subsidiary which handles all heavy construction and repairs for the SMV, has bought the Lobau warehouse for the sum of 800,000 schillings. All supplies and equipment which were stored in this warehouse have now been removed to the SMV Central Warehouse, Neusiedl a/d Zaya. According to an inventory which was taken at the time of this transfer, the contents of the Lobau warehouse were valued at 6,000,000 schillings.
4. The new SMV warehouse under construction at Matzen is scheduled for completion by the middle of 1952. In addition to functioning as a storage depot for oil field supplies and equipment, the Matzen warehouse will also house the SMV Purchasing Office. The Soviets are now building a temporary warehouse in Matzen to serve the SMV installations in that area pending the completion of the permanent warehouse.

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Sulfuric Acid Procurement

5. Soviet officials have issued orders to all SMV refineries to start building up a reserve supply of sulfuric acid. According to this plan, the Nova-Denow refinery will be required to maintain a reserve of 200 tons; Voessendorf, 100 tons; and the other refineries, as large a quantity as their storage facilities will permit. A shortage of railroad tank cars has somewhat hindered the Soviets in their attempts to build up a sulfuric acid reserve for the refineries. [] this shortage has resulted from the removal of a large amount of Austrian rolling stock to Czechoslovakia and Hungary. 50X1-HUM
6. Between 28 December 1950 and 30 January 1951 the SMV purchased over 400 tons of sulfuric acid [] at a cost of 1,281 schillings per ton. The following figures show how this amount was allocated to the Soviet-controlled refineries: 50X1-HUM

<u>Refinery</u>	<u>No. of Kilograms of Sulfuric Acid</u>
Korneuburg	77,950
Kledering	75,280
Moosbierbaum	14,950
Nova Denow	106,140
Voessendorf	75,340
Vacuum Oil Company	42,990
Shell	15,020

In addition to these sulfuric acid deliveries, SMV refineries received a total of 20 tons of oleum []

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Shipments from the Soviet Union

8. During the period from 3 January to 3 February 1951 the following shipments from the USSR were received at the SMV Central Warehouse in Neusiedl a/d Zaya:
- 2 carloads of pipe, weighing a total of 52,730 kilograms, from Taganrog.
 - 2 carloads of pipe, weighing a total of 83,600 kilograms, from Taganrog.
 - 6 carloads of pipe, weighing a total of 112,240 kilograms, from Khrompik.
 - 7 carloads of pipe, weighing a total of 173,310 kilograms, from Nikopol.
 - 1 carload of pipe, weighing a total of 20,480 kilograms, from Taganrog.
 - 4 Diesel motors, weighing a total of 7,730 kilograms, from Kop.
 - 2 carloads of equipment, each carload containing 3 tractors, 3 pumps and 3 cases of accessories, weighing a total of 67,410 kilograms, from Machino-Export, Moscow.
 - 6 carloads of pipe, weighing a total of 133,170 kilograms, from Nikopol.
 - 1 carload of pipe, weighing a total of 9,000 kilograms, from Khrompik.

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4 tractors, 4 pumps, and 4 cases of accessories, weighing a total of 46,330 kilograms, from Traktorstroj, Machino-Export, Moscow.

22 crates of measuring instruments, weighing a total of 1,960 kilograms, from Machino-Import (sic), Moscow.

Pipe Shipments from the CSR

9. During the month of January 1951 a total of 552,750 kilograms of drill pipe, tubing and casing arrived at the SMV Central Warehouse, Neusiedl a/d Zaya, from Czechoslovakia. SMV Headquarters paid 500,000 rubles to Ferronet, the Czechoslovak state trust which supplied this pipe. In this transaction a ruble-schilling exchange rate of 1:6.50 was used as the basis for payment.

10. Between 1 and 3 February 1951 the SMV received the following pipe deliveries from Czechoslovakia:

6 carloads of pipe, weighing a total of 108,000 kilograms, from an undetermined supplier.

2 carloads of drill pipe, 10 3/4 inches in diameter, shipped from Ferronet, Prague, via Bracław to Vienna.

SMV Purchasing Office

11. On 1 February 1951, Voronin, an official of SMV Headquarters, was appointed Director of the SMV Purchasing Office. [redacted]

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[redacted] Sivetzov, who served as acting director of the Purchasing Office after Kuzin's departure for the USSR, now holds the position of assistant director in charge of pipe procurement.

12. Officials of SMV Headquarters have reiterated their order forbidding the procurement of equipment and materials from USIA except for top priority requirements. SMV Headquarters has also directed the Purchasing Office to clear up all SMV debts to individual dealers before making payments on USIA accounts.

13. The Soviets have placed priorities on the procurement of pipe, aluminum, steel cable, copper wire and other materials urgently needed in the oil fields. Further, they have advised Engr. Egon Neumann that they will buy as many General Motors-type jets as he can supply. Josef Hbenstreit, Blumau bei Felixdorf, Lower Austria, who in the past was one of the Soviets' chief scrap customers, is now one of their leading scrap procurement agents in the Western Zone of Austria. Late in January 1951 Hbenstreit's representatives in the Linz area were trying to locate lead for the Soviets. Another Soviet intermediary, Ing. Josef Infuehr, Vienna XVII, Roetzergerasse 34, is currently buying up automobile parts for the Soviets from various sources [redacted]

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14. Early in January 1951 the SMV Purchasing Office added a new section which will handle all scrap sales to Hungary and Czechoslovakia. Sipiagin, a former Purchasing Office official who for sometime has been employed at another Soviet office in Vienna, has been reassigned to the Purchasing Office where he will have charge of SMV scrap sales. He will be assisted by Haineman, a purchasing agent who has recently been transferred from Aderklaa. Included among the various types of used equipment which this scrap section is now offering for sale are narrow gauge railroad cars, electric locomotives, dismantled warehouses, Diesel motors, automobiles and trucks.

15. During the period from 1 January to 15 February 1951 the SMV Purchasing Office paid cash for purchases from the following suppliers. All USIA-controlled firms in this list have been noted by an asterisk. [redacted]

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<u>Firm</u>	<u>Item Purchased</u>	<u>Amount in Schillings</u>
* Stahl- und Temperguss A.G.	Steel and angle iron	5,034.66
* Donau-Chemie A.G.	Sulfuric acid	744,667.82
	Oleum	9,286.11

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FirmItem PurchasedAmount in Schillings

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* Elin A.G.	Electric motors and other equipment	32,837.31
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"Standard" Ges. fuer Techn. Artikel	Rubber equipment	134,578.29
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* Henypel-Heine, Eisen-u. Eisenwarengrosshdlg. A.G.	Tools	192,884.88
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* Wiener Kabel- u. Metall- werke A.G.	Cable	81,911.45
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* W. Jegerle	Paint and lacquer	15,546.19
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* hydroxygen-G.m.b.H.	Oxygen and gas	44,771.15
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* Raab Karscher G.m.b.H.	Coal	50,848.95
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"Rila" Lack-u. Farbwarenzeugung G.m.b.H.	Paint and lacquer	5,557.50
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* Osram G.m.b.H.	Electric light bulbs	54,898.60
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* St. Egydyer Eisen-u. Stahl- industrie G.m.b.H.	Cable	537,887.40
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* Draeger, G.m.b.H.	Welding material	21,357.00
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* Carl Rudischofsky & Soehne A.G.	Leather goods	42,644.26
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* Friedrich Weichmann's Nachfolger G.m.b.H.	Floodlights	13,950.65
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* Boehler Gebr. & Co. A.G.	Steel	943,554.96
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* Mannesmann-Traulz A.G.(3)	Pipe	1,337,226.26
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<u>Firm</u>	<u>Item Purchased</u>	<u>Amount in Schillings</u>
*Sichter mann Draht-u. Kabel- werk G.m.b.H.	Cable	31,903.06

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*AG-Union Elektrizitätsge- sellschaft	Electric motors	4,841.04
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*Heudloff-Wamg A.G.	Slide valves and casing heads	652,025.85
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*Guthan (6)	Glass	15,317.03
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*Wilhelm Neuber A.G.	Chemicals	11,678.20
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FirmItem PurchasedAmount in Schillings

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*Brown-Boveri A.G.

Motors

59,394.80

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*Eisen- und Stahlwerke A.G. Iron

4,250.49

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FirmItem PurchasedAmount in Schillings

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* Trofalecher Eisen- u. Stahl- Tellerauflegen 108,413.18
werke A.G.

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* Wiener Lokomotivfabrik A.G. Crane repairs 12,418.00

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* "Ariadne" Draht- u. Kabelwerke Cable 7,567.94
A.G.

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<u>Firm</u>	<u>Item Purchased</u>	<u>Amount in Schillings</u>	
USIA	Sheet metal	24,420.00	50X1-HUM

*Accumulatoren-Fabrik G.m.b.H. Batteries

45,497.52

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(2) Comment: This firm cannot be identified from available reference material.

(2a) Comment: The address of this firm cannot be verified from available reference material.

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(3) Comment: The USIA-controlled firm Mannesmann-Traulz A.G. recently shipped five roll chisels to the Soviet-Hungarian Oil Company in Budapest. The Hungarians presumably will use these chisels as models for manufacturing similar instruments.

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(6) Comment: This glass dealer may be either Otto Guthan, Vienna XXI, Floridsdorfer Hauptstrasse 33, or Guthan & Gaerner, Vienna XXI, Schoepfleuthnergasse 20. Both of these firms are USIA-controlled.

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